



Ohio Revised Code

Section 3964.10 Investments.

Effective: September 17, 2014

Legislation: House Bill 117 - 130th General Assembly

(A) The board of directors of a captive insurance company shall determine appropriate investments for the company. With respect to all of the insurance company's investments, the board of directors shall exercise the judgment and care, under the circumstances then prevailing, that a person of reasonable prudence, discretion, and intelligence might exercise in the management of a like enterprise, that person not having an intent to speculate, but having regard for the permanent disposition of the person's funds, considering the probable income as well as the probable safety of the person's capital.

(B)(1) Investments shall be of sufficient value, liquidity, and diversity to assure the captive insurance company's ability to meet its outstanding obligations, based on reasonable estimations of new business production for current lines of business. A copy of the investment policy adopted by the board of directors shall be filed with the superintendent.

(2) If the superintendent determines that a board of directors of a captive insurance company has failed to comply with the requirements of division (B)(1) of this section, the company shall be notified in writing that it is required to file a schedule of its proposed investments with the superintendent.

(C)(1) No captive insurance company may make a loan to, or an investment in, its parent company or affiliates without prior written approval of the superintendent.

(2) Any such loan or investment shall be evidenced by documentation approved by the superintendent.

(3) Loans that violate the minimum capital and surplus funds requirements of section 3964.05 of the Revised Code are prohibited.



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